

U.S. Department of Labor

Office of Labor-Management Standards
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December 13, 2017

Case Number: 110-6009039 [REDACTED]
LM Number: 071581

Mr. Ross Baker, President
American Postal Workers Union Local 3844
P.O. Box 1455
Brockton, MA 02303

Dear Mr. Baker:

This office has recently completed an audit of American Postal Workers Union Local 3844 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and Secretary-Treasurer Brian Morrissey on December 12, 2017, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Reporting Violations

Pursuant to 29 C.F.R., Section 458.3, the reporting requirement under 29 C.F.R. Section 403.2 (see Section 201(b) of the Labor-Management Reporting and Disclosure Act (LMRDA)) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file annual financial reports that accurately disclose their financial condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report (Form LM-3) filed by Local 3844 for the fiscal year ended December 31, 2015, was deficient in the following areas:

Disbursements to Officers

Local 3844 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

Specifically, Local 3844 failed to identify the names of four trustees: [REDACTED]. Each of these trustees received payments from Local 3844 that did not appear on the LM-3 report. Whether these payments constituted trustee salaries or compensation for the performance of non-officer activities, such as the representation of members as a steward at a grievance hearing, is irrelevant. Other than indirect disbursements related to travel, all disbursements to officers must be reported on the LM-3.

Local 3844 also underreported the total salary and allowances paid to Craft Director [REDACTED] by \$410.32.

The union must report most direct disbursements to Local 3844 officers and some indirect disbursements made on behalf of its officers in Item 24. A “direct disbursement” to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An “indirect disbursement” to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Conclusion: Reporting Violations

Local 3844 must file an amended Form LM-3 for the fiscal year ended December 31, 2015, to correct the deficient items discussed above. I encourage Local 3844 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than December 31, 2017, or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

Other Issues

Spousal travel

Once during the audit period an officer paid for spousal travel with union funds. The officer fully reimbursed the union for that expense, and the Local 3844 Constitution and Bylaws does not prohibit such a practice. Nevertheless, to avoid the appearance of expending union funds on personal activities, OLMS strongly urges Local 3844 to adopt a policy requiring officers who wish to bring significant others to conventions or other union events to pay for the travel of both individuals with a personal credit card and then seek reimbursement from the union for the official travel-related expenses.

I want to extend my personal appreciation to American Postal Workers Union Local 3844 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,


Investigator

cc: Mr. Brian Morrissey, Secretary-Treasurer